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February 7, 2006

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

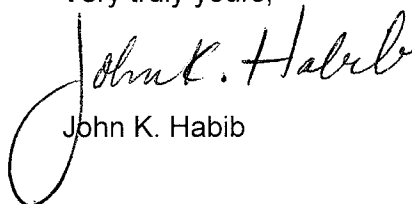
Re: Arrearage Management Programs, D.T.E. 05-86

Dear Ms. Cottrell:

On behalf of New England Gas Company (the "Company"), please find attached the Company's response to Information Request DTE-1-1 in this proceeding. Please contact me or Kevin Penders at (401) 574-2212 if you have any questions regarding the filing.

Thank you for your attention to this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "John K. Habib". The signature is fluid and cursive, with a large initial "J" and a stylized "H".

John K. Habib

Enclosure

cc: Elizabeth Cellucci
Service List, D.T.E. 05-86

New England Gas Company
Department of Telecommunications and Energy
D.T.E. 05-86-F
Information Request: **DTE 1-1**
February 7, 2006
Persons Responsible: Peter Czekanski, Director, Pricing

Information Request DTE 1-1

Please provide an estimate monthly bill impact for each rate class that will be affected by the proposed Arrearage Management Program filed in DTE 05-86. The bill impacts should show the projected effect on customers bills of implementing the proposed Arrearage Management Program during the first, second, and third year that the program will be in effect. Supply all assumptions and calculations relied upon to develop and support these estimated bill impacts.

Response

Estimated bill impacts for the typical customer in each rate class are provided in the attached charts for North Attleboro (Schedule 1) and Fall River (Schedule 2). Since the Company has proposed a twelve-month program, and since these impacts would not take effect for customers until year two of the proposed program, data relative to future years that the program will be in effect will be unquantifiable until a later date, when more variables are known. For sales customers in North Attleboro, the bill impact percentage ranges from 0.10% for residential non-heat, R-1, to 0.15% for commercial, G-1 customers. The bill impact percentage for transportation customers is higher, and ranges from 0.58% for T-4, industrial, to 0.61% for T-1, commercial. In Fall River, the bill impact percentage for sales customers ranges from 0.51% for residential non-heat, R-1, to 0.81% for high use low load, G-43. The bill impact percentage for Fall River's transportation customers is also higher, and ranges from 3.93% for low use low load, T-41, to 6.94% for high use low load customers, T-43.

Given the significant level of eligible customers in the Company's service area (41.1 percent), it is difficult to quantify how many customers in need will take advantage of the Company's proposed program and what percentage will successfully complete the full twelve months. We have estimated that 25% of eligible customers in the Fall River area and 15% in the North Attleboro area will complete the arrearage management program. Schedule 3 provides the calculations and assumptions relied upon to develop the estimated bill impacts.

Current GAF & LDAF w/\$150 Credit vs. Current GAF & LDAF

		Annual Volumes (Therms)	Annual Bill w/\$150 Credit	Current Annual Bill	Increase (Decrease)	Bill Impact
Res Non-heat	R-1	215	\$528	\$527	\$0.52	0.10%
Res Heat	R-3	980	\$1,867	\$1,865	\$2.35	0.13%
Gen'l Service	G-0	2,500	\$4,749	\$4,743	\$6.00	0.13%
Commercial	G-1	4,700	\$7,605	\$7,594	\$11.28	0.15%
Industrial	G-2	9,000	\$15,052	\$15,031	\$21.60	0.14%
Commercial	T-1	4,700	\$1,846	\$1,835	\$11.28	0.61%
Industrial	T-4	9,000	\$3,730	\$3,708	\$21.60	0.58%

Current GAF & LDAF w/\$150 Credit vs. Current GAF & LDAF

		Annual Volumes (CCF)	Annual Bill w/\$150 Credit	Current Annual Bill	Increase (Decrease)	Bill Impact
Resid. Non-heat	R-1	183	\$403	\$401	\$2.05	0.51%
Resid. L I Non-heat	R-2	183	\$359	\$356	\$2.05	0.57%
Resid. Heat	R-3	925	\$1,629	\$1,618	\$10.36	0.64%
Resid. LI Heat	R-4	983	\$1,564	\$1,553	\$11.01	0.71%
Low Use Low Load	G-41	1,951	\$3,265	\$3,243	\$21.85	0.67%
Med Use Low Load	G-42	19,201	\$30,750	\$30,535	\$215.06	0.70%
High Use Low Load	G-43	110,130	\$180,129	\$178,690	\$1,438.96	0.81%
Low Use High Load	G-51	3,104	\$5,125	\$5,085	\$40.01	0.79%
Med Use High Load	G-52	17,650	\$28,597	\$28,371	\$226.30	0.80%
Low Use Low Load	T-41	1,951	\$577	\$556	\$21.85	3.93%
Med Use Low Load	T-42	19,201	\$4,125	\$3,910	\$215.06	5.50%
High Use Low Load	T-43	110,130	\$22,181	\$20,742	\$1,438.96	6.94%
Low Use High Load	T-51	3,104	\$761	\$721	\$40.01	5.55%
Med Use High Load	T-52	17,650	\$3,598	\$3,371	\$226.30	6.71%

Massachusetts - Natural Gas Eligible Customers by Town and Income

	Households	Utility Gas	% Utility Gas	<= 100%	101% - 125%	126% - 150%	151% - 175%	176% - 200%	Total Eligible	% Eligible
Fall River	38,775	31,423	81.1%	8,794	1,341	1,341	2,681	970	15,127	48.1%
Somerset	6,976	4,869	69.7%	627	157	171	139	290	1,384	28.4%
Swansea	5,913	3,792	64.4%	446	137	137	138	52	910	24.0%
Westport	5,381	2,802	52.0%	316	89	89	98	83	675	24.1%
North Attleboro	10,413	2,109	20.0%	170	61	66	54	118	469	22.2%
Plainville	3,010	421	14.0%	41	12	14	11	19	97	23.0%
NEG Totals	70,468	45,416	64.4%	10,395	1,797	1,817	3,121	1,531	18,661	41.1%

MA Credit Program Costs

	Total	FR	NA
Customers Eligible for LIHEAP &/or Low Income Discount Rate	18,661	18,095	566
Plan Cost at 100% Participation, \$150 Incentive Payment	\$2,799,150	\$2,714,250	\$84,900
Anticipated Participation Percentages		25%	15%
Anticipated # of Program Participants		4,524	85
Plan Cost at Anticipated Participation Levels		\$678,563 ccf	\$12,735 therms
Total Annual Throughput		60,641,140	5,254,229
Cost per ccf (FR)/therm (NA)		\$0.0112	\$0.0024